

AMENDED IN ASSEMBLY MARCH 5, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

Assembly Joint Resolution

No. 4

Introduced by Assembly Member Beall

January 18, 2007

Assembly Joint Resolution No. 4—Relative to ~~child support collection~~ fees *CalWORKs*.

LEGISLATIVE COUNSEL’S DIGEST

AJR 4, as amended, Beall. ~~Child support fees. *CalWORKs*.~~

This measure would request the United States Congress to repeal *or amend* provisions of federal law ~~imposing a \$25 annual fee for each family which has not received specified public assistance if the state provides child support collection services and collects at least \$500 in child support on its behalf affecting the state’s implementation of welfare-to-work and child support collection practices, in connection with the *CalWORKs* program.~~

Fiscal committee: no.

1 *WHEREAS, California implemented the federal Personal*
2 *Responsibility and Work Opportunity Reconciliation Act through*
3 *Assembly Bill 1542 (Chapter 270 of the Statutes of 1997), thereby*
4 *establishing the California Work Opportunity and Responsibility*
5 *to Kids (CalWORKs) program, implemented on January 1, 1998;*
6 *and*
7 *WHEREAS, The CalWORKs program was created on a*
8 *bipartisan basis, adopting essential goals of reducing child poverty*
9 *and dependency on government benefits while promoting work*
10 *and marriage; and*

1 *WHEREAS, Since its creation, CalWORKs has done both of the*
2 *following:*

3 *(a) Offered a flexible array of welfare-to-work services to meet*
4 *varied individual needs of parents working toward self-sufficiency.*

5 *(b) Assured a safety net for children when parents' aid is*
6 *discontinued or the family continues to need assistance after the*
7 *expiration of the 60-month time limit; and*

8 *WHEREAS, Since 1995, California has moved thousands of*
9 *low-income families to self-sufficiency, reducing by over 50 percent*
10 *the number of cases receiving cash assistance; and*

11 *WHEREAS, Significant challenges remain in CalWORKs, to*
12 *address barriers to self-sufficiency, reduce poverty, engage a*
13 *greater percentage of adults in welfare-to-work activities, and*
14 *satisfy federal work participation requirements; and*

15 *WHEREAS, Child support is no longer primarily a welfare*
16 *reimbursement, revenue-producing device for the federal and state*
17 *governments and is a family-first program, intended to ensure*
18 *families' self-sufficiency by making child support a more reliable*
19 *source of income; and*

20 *WHEREAS, California's child support program annually*
21 *collects over \$2.3 billion, distributes over \$1.7 billion to families*
22 *directly, and retains \$587 million as reimbursement for welfare*
23 *costs, paying the remainder to the federal government; and*

24 *WHEREAS, The federal Deficit Reduction Act of 2005 (DRA)*
25 *contained several provisions affecting the Temporary Assistance*
26 *for Needy Families (TANF) block grant and the operation of state*
27 *welfare-to-work programs; and*

28 *WHEREAS, The United States Department of Health and Human*
29 *Services promulgated regulations implementing the DRA on June*
30 *28, 2006; and*

31 *WHEREAS, In several respects, the DRA and implementing*
32 *regulations limit California's ability to operate its program and*
33 *provide employment services in a manner the state has found to*
34 *be most effective in achieving self-sufficiency for low-income*
35 *families and in protecting the well-being of indigent children,*
36 *specifically as follows:*

37 *(a) They deny credit for the state's substantial reduction in*
38 *caseload since the CalWORKs program was established in 1997.*

39 *(b) They discourage the state from offering flexible programs*
40 *and services appropriate for participants with disabilities,*

1 *potentially violating the federal Americans with Disabilities Act*
2 *and Section 504 of the Rehabilitation Act.*

3 *(c) They restrict a state's ability to offer employment and*
4 *training programs that enhance skills and qualifications leading*
5 *to jobs providing self-sustaining wages and benefits.*

6 *(d) They impose excessively burdensome duties on states to*
7 *verify and report specific hours of participation beyond what is*
8 *normally recorded by employers and training providers.*

9 *(e) They retain an unrealistically excessive 90 percent work*
10 *participation rate for two-parent families which, in conjunction*
11 *with the imposition of federal requirements on nonfederal*
12 *state-funded programs and the elimination of the previous caseload*
13 *reduction formula, set a standard that no state can expect to meet;*
14 *and*

15 *WHEREAS, The DRA contained several provisions that changed*
16 *how the federal government funds states for operating the child*
17 *support program, including a prohibition against claiming federal*
18 *matching funds for child support activities paid with federal*
19 *performance incentive funds, and the imposition of an annual fee*
20 *of \$25 for each family that has not received TANF assistance if*
21 *the state collects at least \$500 in child support on behalf of the*
22 *family; and*

23 *WHEREAS, The impact of the prohibition in the DRA against*
24 *claiming federal matching funds for child support collection*
25 *activities that the state pays with performance incentives will*
26 *annually cost California over \$90 million in federal matching*
27 *funds and result in an estimated loss of over \$800 million in child*
28 *support collections over five years; and*

29 *WHEREAS, The \$25 fee requirement, if passed on to the family*
30 *by the state, will constitute a financial barrier to parents who*
31 *desire to use child support services, and if not passed on to the*
32 *family and paid by the state, will cost California over \$1.7 million*
33 *annually, because the automation and accounting costs of*
34 *administering the fee will exceed the potential revenue generated*
35 *through the imposition of the fee; now, therefore, be it*

36 *RESOLVED BY THE ASSEMBLY AND THE SENATE OF THE*
37 *STATE OF CALIFORNIA, JOINTLY, That the Legislature hereby*
38 *requests the United States Congress and President to repeal or*
39 *amend provisions of the Deficit Reduction Act of 2005, as follows:*

40 *(a) Modify work participation rules to do all of the following:*

1 (1) Give credit for persons with disabilities partial participation
2 in welfare-to-work activities, consistent with the Americans with
3 Disabilities Act and Section 504 of the Rehabilitation Act.

4 (2) Allow credit for vocational training and education for 24
5 months, and include a Parents as Scholars Program for those for
6 whom education is a path out of poverty.

7 (3) Allow credit for blended activities that include barrier
8 removal as part of an employment program.

9 (b) Replace the caseload reduction credit with one based upon
10 the numbers of adults leaving aid with employment.

11 (c) Eliminate the separate work participation requirement for
12 two-parent families.

13 (d) Simplify the tracking, recording, and reporting of work
14 activities.

15 (e) Repeal the prohibition on states' claiming of federal
16 matching funds for child support activities paid with performance
17 incentives.

18 (f) Repeal the imposition of a \$25 annual fee for each family
19 that has not received assistance from the TANF block grant if the
20 state collects at least \$500 in child support on behalf of that family;
21 and be it further

22 ~~WHEREAS, In 2005 the United States Congress passed the~~
23 ~~Deficit Reduction Act of 2005 and President Bush signed it into~~
24 ~~law on February 8, 2006, (Public Law No. 109-171); and~~

25 ~~WHEREAS, The act contained several provisions that changed~~
26 ~~how states administer the Title IV-D program of the Social Security~~
27 ~~Act, including a provision that imposes a mandatory annual fee of~~
28 ~~twenty-five dollars (\$25) for each family which has not received~~
29 ~~assistance from the federal Temporary Assistance to Needy~~
30 ~~Families (TANF) program if the state provides child support~~
31 ~~collection services and collects at least five hundred dollars (\$500)~~
32 ~~in child support on behalf of that family; and~~

33 ~~WHEREAS, The provision to impose the mandatory fee for~~
34 ~~these cases took effect on October 1, 2006; and~~

35 ~~WHEREAS, California's Title IV-D Child Support Program~~
36 ~~collected over two billion dollars (\$2,000,000,000) in 2005 on~~
37 ~~behalf of approximately 1.8 million children and families; and~~

38 ~~WHEREAS, The twenty-five dollar (\$25) fee imposed on the~~
39 ~~states by the federal government, if passed on to the family by the~~
40 ~~state, will constitute a financial barrier to a parent who desires to~~

1 use the child support collection services of the state's Title IV-D
2 program; and

3 WHEREAS, Because of the economic importance to a family
4 in receiving child support owed, there should be minimal barriers
5 to using child support collection services; and

6 WHEREAS, Nearly 70 percent of all child support collected
7 goes directly to support families and their children, thereby
8 reducing their dependency on public assistance; and

9 WHEREAS, Automation and accounting costs to collect the
10 twenty-five dollar (\$25) fee may offset any potential revenue the
11 federal government may hope to receive through imposition of the
12 fee; and

13 WHEREAS, Because the federal government has provided states
14 with four different options as to how the fee may be imposed, the
15 fee does not support uniform application of the federal Title IV-D
16 program; now, therefore, be it

17 *Resolved by the Assembly and the Senate of the State of*
18 *California, jointly,* That the United States Congress is hereby
19 requested to repeal the provisions of law imposing a twenty-five
20 dollar (\$25) annual fee for each family which has not received
21 assistance from the TANF program if the state provides child
22 support collection services and collects at least five hundred dollars
23 (\$500) in child support on behalf of that family; and be it further

24 *Resolved,* That the Chief Clerk of the Assembly transmit copies
25 of this resolution to the President and Vice President of the United
26 States, to the Speaker of the House of Representatives, to the
27 Majority Leader of the Senate, and to each Senator and
28 Representative from California in the Congress of the United
29 States.